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6 Los Angeles Memorial Coliseum Commission and  
Los Angeles Memorial Coliseum Association  
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 COUNTY OF LOS ANGELES — CENTRAL DISTRICT  
10

11 LOS ANGELES MEMORIAL  
COLISEUM COMMISSION, a public  
12 entity organized and operating under the  
Joint Exercise of Powers Act, and LOS  
13 ANGELES MEMORIAL COLISEUM  
ASSOCIATION, a California non-profit  
14 public benefit corporation,

15 Plaintiffs,

16 v.

17 PATRICK THOMAS LYNCH II, aka  
PATRICK T. LYNCH or PAT LYNCH, an  
18 individual; TODD JOSEPH DeSTEFANO,  
aka TODD J. DeSTEFANO or TODD  
19 DeSTEFANO, an individual; CARISSE  
DeSTEFANO, an individual; LAC  
20 EVENTS, INC., a California corporation;  
PRIVATE EVENT MANAGEMENT,  
21 INC., a California corporation; PRIVATE  
EVENT SHOWCASE, LLC, a limited  
22 liability corporation; INSOMNIAC, INC.,  
a California corporation; GO VENTURES,  
23 INC., a California corporation; and DOES  
1 through 150,

24 Defendants.  
25

Case No. BC 472814

[Assigned to Hon. Gregory Alarcon, Dept. 36]

Complaint Filed: November 3, 2011

Trial Date: None Set

**FIRST AMENDED COMPLAINT FOR  
DAMAGES, AND ANCILLARY  
INJUNCTIVE AND EQUITABLE RELIEF**

26 **INTRODUCTION**


27 1. This lawsuit, among other things, concerns breaches of obligations to the Los  
28 Angeles Memorial Coliseum Commission and the Los Angeles Memorial Coliseum Association  
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FIRST AMENDED COMPLAINT FOR DAMAGES, AND ANCILLARY INJUNCTIVE  
AND EQUITABLE RELIEF

FILED IN  
GOVERNMENT  
CONFORMED COPY  
ORIGINAL FILED  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF LOS ANGELES

JAN 10 2012

John A. Clarke, Executive Officer/Clerk  
BY  Deputy  
Shaunya Wesley

1 (collectively, "Plaintiffs") caused by, among other things, the corrupt efforts of former employees  
2 to profit personally at the expense of Plaintiffs. Throughout years while Defendants Pat Lynch  
3 and Todd DeStefano worked for the Plaintiffs, they used deceptive practices to siphon off revenue  
4 to themselves that should have been received instead by the Plaintiffs, and their actions and the  
5 actions of others in concert and participating with them enriched promoters of events at the  
6 Plaintiffs' public facilities with public funds.

7 2. The Coliseum Commission is a public entity operating under the Joint Exercise of  
8 Powers Act. It is governed by a nine person Commission whose Commissioners are appointed by  
9 the County of Los Angeles, the City of Los Angeles, and the State of California. The  
10 Commission depends on the honesty and integrity of its employees. Instead, the Commission and  
11 its Commissioners have been misled for years by Defendants Lynch and DeStefano, among  
12 others. The Coliseum Association is owned and controlled by the Coliseum Commission and  
13 serves as a vehicle to provide food and beverage and other services for the public who attend  
14 events at the storied Los Angeles Memorial Coliseum and Sports Arena in Los Angeles.

15 3. By this lawsuit, Plaintiffs seek to recover the property and funds that were  
16 diverted, stolen or misappropriated, or that were dissipated by the Defendants.

17 **PARTIES**

18 4. Plaintiff the Los Angeles Memorial Coliseum Commission ("Commission") is a  
19 public entity organized and operating under the California Joint Exercise of Powers Act, and is  
20 located and doing business in the County of Los Angeles in the State of California.

21 5. Plaintiff the Los Angeles Memorial Coliseum Association ("Association") is a  
22 California non-profit public benefit corporation, which was created by the Commission, and is  
23 controlled by and under the direction of the Commission. It is operated as a public entity, and is  
24 located and doing business in the County of Los Angeles in the State of California.

25 6. Defendant Patrick Thomas Lynch II, also known as Patrick T. Lynch or Pat Lynch  
26 ("Lynch"), is a natural person whose last known address was in the County of Los Angeles in the  
27 State of California. At all times relevant herein, Lynch was an employee of the Commission and  
28 an officer of the Association until effective March 1, 2011 he resigned his position as General

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1 Manager and Chief Administrative Officer of the Commission and resigned as President of the  
2 Association.

3 7. Defendant Todd Joseph DeStefano, also known as Todd J. DeStefano or Todd  
4 DeStefano ("DeStefano"), is a natural person whose last known address was in the County of Los  
5 Angeles in the State of California. At all times relevant herein, DeStefano was an employee of  
6 the Commission until he resigned on or about January 21, 2011. He worked for the Commission  
7 in positions with the title of Event Coordinator, Senior Event and Sales Manager, Director of  
8 Events or Assistant General Manager/Events.

9 8. Defendant Carisse DeStefano ("Carisse DeStefano") is a natural person whose last  
10 known address was in the County of Los Angeles in the State of California. Since April 2009,  
11 Carisse DeStefano has been the spouse of Todd DeStefano.

12 9. Defendant LAC Events, Inc. is a California corporation that is controlled by  
13 Defendant DeStefano, and is located and doing business in the County of Los Angeles in the State  
14 of California.

15 10. Defendant Private Event Management, Inc. is a California corporation that is  
16 controlled by Defendant DeStefano, and is located and doing business in the County of Los  
17 Angeles in the State of California.

18 11. Defendant Private Event Showcase, LLC was a California limited liability  
19 corporation that was controlled by Defendant DeStefano, and was located and doing business in  
20 the County of Los Angeles in the State of California.

21 12. Defendants DeStefano, LAC Events, Inc., Private Event Management, Inc., and  
22 Private Event Showcase, LLC are referred to hereinafter as the "DeStefano Defendants," which,  
23 when used, refers to all of said Defendants and each of them.

24 13. Defendant Insomniac, Inc. is a California corporation that is located and doing  
25 business in the County of Los Angeles in the State of California.

26 14. Defendant Go Ventures, Inc. is a California corporation that is located and doing  
27 business in the County of Los Angeles in the State of California.

1           15.     Plaintiffs are unaware of the true names and capacities of the Defendants sued  
2     herein as Does 1 through 150 and therefore sue these Defendants by such fictitious names.  
3     Plaintiffs are informed and believe, and on that basis allege, that each of the fictitious Doe  
4     Defendants is responsible in some manner for the damages suffered by the Plaintiffs, as a former  
5     employee, contractor or vendor of the Plaintiffs, as a promoter of events at the Plaintiffs' public  
6     facilities, or as an agent, partner, joint venturer or alter ego of the named Defendants, or based on  
7     other facts and legal theories presently unknown to Plaintiffs. Plaintiffs will amend this First  
8     Amended Complaint (hereinafter simply referred to as "Complaint") to allege the true names and  
9     capacities of such fictitiously named Defendants when the same are ascertained. References in  
10    this Complaint to the "Defendants" include references to each of the named Defendants and Does  
11    1 through 150 except where the context clearly indicates otherwise.

12           16.     Plaintiffs allege that, as to each cause of action with regard to the named and Doe  
13    Defendants set forth therein, each of said Defendants at times conspired among themselves and  
14    acted together to cause injury or harm to one or both of the Plaintiffs.

15                                   **VENUE AND JURISDICTION**

16           17.     The oral, written or implied in fact contracts and the business documents that are  
17    the subject matter of this Complaint were entered into or executed in the County of Los Angeles.  
18    In addition, the location for each of the primary acts and events at issue in this action was the Los  
19    Angeles Memorial Coliseum and Sports Arena in the County of Los Angeles in the State of  
20    California.

21           18.     The Complaint involves a matter of unlimited jurisdiction in that it is for equitable  
22    relief and seeks restitution of funds and damages valued in excess of \$25,000.

23                                   **GENERAL ALLEGATIONS**

24           19.     For years, Lynch profited personally by abusing his position of trust and  
25    responsibility, receiving more than his substantial, lawful wages and benefits from the  
26    Commission. Without limitation of the preceding sentence, the Plaintiffs learned in early 2011  
27    that from August 10, 2006 through January 20, 2011, Lynch unlawfully received at least  
28    \$394,716.00 in funds diverted from payments that otherwise would have been received by the

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1 Commission. In regular, consistent deposits by Tony Estrada, an individual, to one or more bank  
2 accounts in Lynch's name, including an account opened at a bank in Miami, Florida, on or about  
3 February 1, 2007, Lynch received payments from Tony Estrada and Estrada's firm, Services for  
4 All Events ("SFAE"), which provided hourly workers for cleaning, event setup and event  
5 changeover at the Los Angeles Memorial Coliseum and Sports Arena. The payments to Lynch  
6 represented approximately \$1.00 to \$1.25 for every hour of labor billed by SFAE to the Plaintiffs.

7 20. Despite his presentations before members of the Plaintiffs' governing bodies that  
8 indicated otherwise, Lynch behind the scenes operated the Plaintiffs and conducted the Plaintiffs'  
9 business affairs for many years as if the Plaintiffs were small, private businesses he personally  
10 owned. He failed to act with due regard for the public trust. His conduct led others under his  
11 management to disregard their obligations of public trust and to profit for themselves at the  
12 expense of the Plaintiffs. Plaintiffs are informed and believe, and on that basis allege, that Lynch  
13 and others with his knowledge have derived unfair and unlawful gain from Plaintiffs' operations  
14 regarding the promotion of large-scale and other events at Plaintiffs' venues.

15 21. For years, DeStefano, individually, and in recent times with his spouse, Carisse  
16 DeStefano, profited personally, and improperly derived funds for themselves and the other  
17 DeStefano Defendants or companies, by diverting revenue that could and should have been paid  
18 by Defendants to the Plaintiffs, including money from concessionaires and vendors, and from  
19 various promotions, electronic music festivals, film productions and other events. These  
20 Defendants manipulated contractual terms and accountings of events, thereby diverting material  
21 revenue from the services provided by Plaintiffs, and kept it for themselves.

22 22. Since 1998, the Coliseum and Sports Arena have hosted 37 electronic music  
23 festivals with more than one million attendees, pursuant to contracts between Plaintiffs and  
24 Defendants Insomniac and Go Ventures. Plaintiffs worked with Defendants Insomniac and Go  
25 Ventures for these events and grossed a significant percentage of revenue from them. Despite the  
26 rapid growth of popularity of these festivals beginning in or about 2006 and 2007, continuing to  
27 2010, Defendants Lynch and DeStefano did not maximize rent or other revenue from them.

28 Instead, they used the growing popularity and revenue generation of these events to benefit one or  
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1 both of themselves. At times during these growth years, DeStefano approved contractual  
2 arrangements in which he and/or his spouse had a financial interest with Defendants Insomniac,  
3 Go Ventures and Doe Defendants, with the knowledge of these Defendants. Said Defendants also  
4 knew that DeStefano was an employee and public servant of the Plaintiffs.

5 23. Defendant Go Ventures, Inc. entered into contracts, the terms of which were  
6 sometimes written and were supplemented by oral or implied in fact terms, or were oral or  
7 implied in fact, with one or both of the Plaintiffs on at least the following approximate dates,  
8 among others: October 2005, December 2005, May 2006, October 2006, December 2006, May  
9 2007, October 2007, December 2007, August 2008, October 2008, December 2008, August 2009,  
10 October 2009, December 2009, August 2010, October 2010 and December 2010. The purpose of  
11 the contracts was to hold the music festivals referred to in paragraph 22 above.

12 24. Defendant Insomniac, Inc. entered into contracts, the terms of which were  
13 sometimes written and were supplemented by oral or implied in fact terms, or were oral or  
14 implied in fact, with one or both of the Plaintiffs on at least the following approximate dates,  
15 among others: August 2005, August 2006, June 2007, August 2007, June 2008, June 2009, and  
16 June 2010. The purpose of the contracts was to hold the music festivals referred to in paragraph  
17 22 above.

18 25. During at least the last three years, Lynch, DeStefano and certain Doe Defendants,  
19 including promoters, caused or made cash payments of approximately \$955,000.00 to a union  
20 shop steward of the International Alliance of Theatrical Stage Employees Local 33 ("IATSE") in  
21 connection with events held at the Plaintiffs' public facilities, including events associated with the  
22 2008 to 2010 dates stated in paragraphs 23 and 24 above. The purposes for these cash payments  
23 are still being determined, but included, without limitation, wage payments to the shop steward  
24 and stagehands that were outside the ordinary and usual employment compensation practices of  
25 Plaintiffs and IATSE. When one or more of Plaintiffs' employees questioned Defendant Lynch  
26 about the cash payments, Defendant Lynch directed staff to continue the cash payments.

27 26. Plaintiffs have identified cash payments of \$557,710.00 in connection with events  
28 promoted by Go Ventures, Inc., and at least \$209,581.00 in connection with events promoted by

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1 Insomniac, Inc., during the years of their events at Plaintiffs' facilities. The practice of paying  
2 cash wages resulted in the promoter Defendants paying approximately twenty-nine (29) percent  
3 less for employee-related costs, and exposed the Plaintiffs to liability in an amount of sixty (60)  
4 percent more than the cash paid, as a result of the effect of all payroll taxes, and federal and state  
5 withholding taxes.

6 27. The damages and liabilities, including present and future, and actual and  
7 prospective, sustained by the Plaintiffs are substantial and in excess of \$1 million dollars. All of  
8 the foregoing damages, and other damages that are not yet fully evident, are the direct and  
9 proximate result of Defendants' wrongful, fraudulent and tortious activities.

10 **FIRST CAUSE OF ACTION**

11 **(Violation of False Claims Act )**

12 **(Against All Defendants Named and Does 1 Through 80)**

13 28. Plaintiffs reallege and incorporate by reference the allegations of paragraphs 1  
14 through 27 of this Complaint as though set forth in full.

15 29. The False Claims Act, Government Code sections 12650 et seq., provides various  
16 penalties where a person knowingly submits a false claim to a public entity for payment or  
17 approval. Government Code section 12651(a) sets forth, among others, the following acts as false  
18 claims in violation of the False Claims Act:

19 (i) Knowingly presenting or causing to be presented to an officer or employee of the  
20 state or of any political subdivision thereof, a false claim for payment or approval.

21 (ii) Knowingly making, using, or causing to be made or used a false record or  
22 statement to get a false claim paid or approved by the state or by any political subdivision.

23 (iii) Knowingly making, using, or causing to be made or used a false record or  
24 statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the  
25 state or any political subdivision.

26 (iv) Conspiring to defraud the state or any political subdivision by getting a false claim  
27 allowed or paid by the state or by any political subdivision.

28 30. Between 2006 and 2010, Defendants, and each of them, submitted or conspired to  
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1 submit claims for money for services or work relating to the Plaintiffs. In the course of such  
2 conduct, Defendants, and each of them, submitted or conspired to submit false claims for  
3 payment (i) that they presented to an officer, employee or agent of the Plaintiffs or (ii) that they  
4 made to a contractor, grantee or recipient, where the money requested was to be spent or used on  
5 a program or interest of the Plaintiffs from funds provided by Plaintiffs or from funds that  
6 Plaintiffs reimbursed, in whole or in part, in violation of the False Claims Act.

7 31. This action is filed within three (3) years after the date of discovery by the  
8 Plaintiffs and the prosecuting authorities for the Plaintiffs of the unlawful conduct of the  
9 Defendants, and each of them, and, in any event, within 10 years after the date on which the  
10 Defendants, and each of them, violated the False Claims Act.

11 32. As a proximate and legal result of Defendants' multiple submissions of false  
12 claims and their actions in violating Government Code sections 12650 et seq., Plaintiffs have  
13 been damaged in an amount that will be proven at trial. Defendants are subject to treble damages,  
14 costs of suit, attorneys' fees and civil penalties as set forth in Government Code section 12651, in  
15 addition to other relief provided for in any other law or available under common law, as  
16 sanctioned by Government Code section 12655(a), including injunctive relief and the restraint on  
17 transfer or the seizure of assets.

18 **SECOND CAUSE OF ACTION**

19 **(Breach of Fiduciary Duty)**

20 **(Against Defendants Lynch, DeStefano and Does 105 through 110)**

21 33. The Plaintiffs reallege and incorporate by reference the allegations of paragraphs 1  
22 through 32 of this Complaint as though set forth in full.

23 34. Defendants Lynch, DeStefano and Does 105 through 110, as officers or employees  
24 of the Plaintiffs, were charged with holding and preserving a public trust, and owe a fiduciary  
25 duty to the Plaintiffs. This duty involves acting with the utmost good faith in the best interests of  
26 the Plaintiffs, with undivided loyalty and allegiance, in the faithful execution of the public trust  
27 confided in them.

28 35. Defendants Lynch, DeStefano and Does 105 through 110, as officers or employees  
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1 of the Plaintiffs, violated the public trust and breached their fiduciary duty to the Plaintiffs when  
2 they benefitted themselves by diverting funds derived from the Plaintiffs' operations. The funds  
3 diverted by said Defendants to themselves were at all times public moneys and were diverted  
4 without the authorization, knowledge or consent of the Plaintiffs' governing Boards.

5 36. Defendants Lynch, DeStefano and Does 105 through 110, as officers or employees  
6 of the Plaintiffs, conspired to breach their fiduciary duty owed to the Plaintiffs. Plaintiffs are  
7 informed and believe, and on that basis allege, that each of the said Defendants intentionally  
8 violated his fiduciary duty to the Plaintiffs, and actively encouraged and participated in the other  
9 Defendants' violation and breach of their fiduciary duty.

10 37. The Plaintiffs suffered damages as a result of said Defendants' violation of the  
11 public trust and breach of their fiduciary duty. The unlawful money received by these Defendants  
12 and damages caused by them should be awarded to the Plaintiffs in an amount according to proof.

### 13 **THIRD CAUSE OF ACTION**

#### 14 **(Intentional and Constructive Fraud)**

#### 15 **(Against Defendants Lynch, DeStefano and Does 105 through 110)**

16 38. The Plaintiffs reallege and incorporate by reference the allegations of paragraphs 1  
17 through 32 of this Complaint as though set forth in full.

18 39. Throughout the time that Defendants were employed by the Plaintiffs, or either of  
19 them, Defendants condoned or approved contractual and other relationships that provided  
20 personal financial benefits to themselves and the other Defendants sued herein for services and  
21 work allegedly performed for the Plaintiffs.

22 40. During the time that Defendants were employed by the Plaintiffs, Defendants  
23 made numerous representations by conduct and by words spoken and written that they were  
24 performing their work as required for and on behalf of the Plaintiffs and to advance legitimate  
25 objectives of the Plaintiffs.

26 41. Defendants made these representations to Plaintiffs with the intent that Plaintiffs  
27 would rely on the representations and continue to provide employment to the Defendants, and  
28 each of them, and payment for their work.

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1           42.     Plaintiffs reasonably relied on Defendants' representations that the contractual and  
2 other relationships approved by Defendants were proper and correct.

3           43.     As a result of Plaintiffs' reasonable reliance on the above express and implied  
4 misrepresentations by Defendants and Plaintiffs' reasonable reliance on the omissions of  
5 Defendants to state the facts, Plaintiffs have been damaged in that more than \$1 million in  
6 Plaintiffs' funds have been diverted and lost or stolen.

7           44.     The representations by Defendants about their actions and intentions were false  
8 and Defendants knowingly made these false representations. Further, Defendants knowingly  
9 concealed material information from Plaintiffs and did so in order to continue to misappropriate  
10 funds for their own personal use and for the use of their confederates.

11           45.     Plaintiffs reasonably relied upon Defendants' representations and omissions and,  
12 as a result, suffered damages in an amount to be determined at trial but which is in excess of the  
13 minimum jurisdictional amount.

14           46.     The conduct of Defendants in making the above referenced misrepresentations and  
15 intentionally concealing material facts from Plaintiffs was intentional, malicious, oppressive and  
16 fraudulent and was intended to vex, harass and harm Plaintiffs such that Plaintiffs are entitled to  
17 an award of punitive damages against each Defendant in an amount to be determined at trial.

18                               **FOURTH CAUSE OF ACTION**

19                               **(Unjust Enrichment)**

20                   **(Against Defendants Lynch, the DeStefano Defendants, Carisse DeStefano, Insomniac, Go**

21                               **Ventures, and Does 61 through 110)**

22           47.     The Plaintiffs reallege and incorporate by reference the allegations of paragraphs 1  
23 through 46 of this Complaint as though set forth in full.

24           48.     Defendants unjustly received in excess of \$1 million from Plaintiffs without  
25 providing a reasonably equivalent value of consideration.

26           49.     As a result, Defendants have been unjustly enriched.

1           50.     Accordingly, Plaintiffs seek judgment against Defendants, and each of them,  
2     ordering return of all such monies that were provided to them and with which they were unjustly  
3     enriched at the expense of the Plaintiffs.

4                                 **FIFTH CAUSE OF ACTION**

5                                 **(Civil Conspiracy to Defraud)**

6                         **(Against Defendants Lynch, the DeStefano Defendants, Carisse DeStefano**

7                                 **and Does 61 through 110)**

8           51.     The Plaintiffs reallege and incorporate by reference the allegations of paragraphs 1  
9     through 46 of this Complaint as though set forth in full.

10          52.     Plaintiffs allege on information and belief that Defendants, and each of them,  
11     conspired together to defraud Plaintiffs and to misappropriate in excess of \$1 million in Plaintiffs'  
12     funding as alleged herein.

13          53.     The wrongful acts described in this Complaint by Defendants, and each of them,  
14     involving the misuse and misappropriation of Plaintiffs' funds, were done in furtherance of a  
15     conspiracy to defraud and cheat Plaintiffs. The last overt act of Defendants involved in this  
16     conspiracy occurred in or about February 2011.

17          54.     As a legal and proximate result of the wrongful acts alleged herein performed  
18     pursuant to the conspiracy, Plaintiffs have suffered damages in an amount which will be proved at  
19     trial but which is in excess of the jurisdictional minimum of this Court.

20          55.     In doing the acts alleged herein pursuant to their conspiracy, Defendants acted  
21     willfully and with the intent to cause injury to Plaintiffs. Defendants acted with fraud, malice,  
22     oppression and in conscious disregard of the Plaintiffs' rights and acted to vex, harass and harm  
23     Plaintiffs. As a result, Plaintiffs are entitled to an award of punitive and exemplary damages in an  
24     amount to be determined at trial.

25     ///

26     ///

27     ///

28     ///

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1 **SIXTH CAUSE OF ACTION**

2 **(Government Code section 1090)**

3 **(Against All Defendants Named and Does 1 through 80 and 105 through 110)**

4 56. The Plaintiffs reallege and incorporate by reference the allegations of paragraphs 1  
5 through 46 of this Complaint as though set forth in full.

6 57. Government Code section 1090 prohibits public officials from being financially  
7 interested in any contract made by them in their official capacity, or by any body or board of  
8 which they are members. Contracts in which staff members of a public agency have a financial  
9 interest are invalid if the staff members participate in the making of the contract. Participation in  
10 the making of a contract includes preliminary discussions, negotiations, compromises, reasoning,  
11 planning, drawing of plans and specifications, and solicitation of bids. Section 1090 bars a  
12 division in the loyalties of public servants between the public interest and the private  
13 opportunities for personal financial gain.

14 58. Government Code section 1092 provides that any contract entered into in violation  
15 of Government Code section 1090 is void, and the contracting party can be required to return all  
16 income earned under the contract.

17 59. Defendant Lynch, the DeStefano Defendants, Defendant Carisse DeStefano, or  
18 Defendants Does 105 through 110 participated in the making of contracts with Defendants  
19 Insomniac, Go Ventures and Does 1 through 80.

20 60. The Defendant Lynch, the DeStefano Defendants, Defendant Carisse DeStefano,  
21 or Defendants Does 105 through 110 had cognizable financial interests in the contracts with  
22 Defendants Insomniac, Go Ventures and Does 1 through 80.

23 61. Plaintiffs are informed and believe, and on that basis allege, that said Defendants'  
24 violations of section 1090 are knowing and willful.

25 62. The violations of section 1090 by said Defendants, and each of them, caused  
26 damages to the Plaintiffs by diverting revenue from the Plaintiffs to the benefit of the Defendants,  
27 and Plaintiffs seek an award of such damages according to proof.

63. Plaintiffs seek a declaration that each of the contracts with Defendants Insomniac, Go Ventures and Does 1 through 80 is void to the extent that Plaintiffs prove that Defendant Lynch, the DeStefano Defendants, Defendant Carisse DeStefano or Defendants Does 105 through 110 participated in the making of contracts, and an order requiring all contracting parties to return all income under the void contracts.

**SEVENTH CAUSE OF ACTION**

**(Violation of Unfair Business Practices Under Business and Professions Code**

**Section 17200 et seq.)**

**(Against Defendants Insomniac, Go Ventures and Does 1 through 60)**

64. The Plaintiffs reallege and incorporate by reference the allegations of paragraphs 1 through 46 of this Complaint as though set forth in full.

65. Defendants engaged in unlawful and/or unfair business practices in violation of California Business and Professions Code Sections 17200, et seq., by engaging in the underpayment for goods and services to the Plaintiffs and instead diverting payments to one or more of the other Defendants sued in this action.

66. Plaintiffs are entitled to recover restitution damages from the Defendants, and each of them, in amounts according to proof.

**EIGHTH CAUSE OF ACTION**

**(Breach of Implied Covenant of Good Faith and Fair Dealing)**

**(Against Defendants Insomniac, Go Ventures and Does 1 through 60)**

67. The Plaintiffs reallege and incorporate by reference the allegations of paragraphs 1 through 46 of this Complaint as though set forth in full.

68. In every contract entered into in California there is a covenant of good faith and fair dealing that requires all parties to act in a fashion so as not to disrupt or disappoint the expectations of the other party. This covenant was present in the contracts and agreements that were entered into between Plaintiffs and the Defendants sued in this cause of action.

69. The Defendants, by underpaying for the goods and services rendered, and generally diverting to others the money that should have been paid to Plaintiffs, breached the covenant of good faith and fair dealing, which was implied in the contracts.

70. As a result of the breaches of the covenant, Plaintiffs have been damaged in an amount that will be proven at trial but which is in excess of the jurisdictional minimum of this Court.

### NINTH CAUSE OF ACTION

**(Constructive Trust)**

**(Against Defendants Lynch, the DeStefano Defendants, Carisse DeStefano**

**and Does 61 through 110)**

71. The Plaintiffs reallege and incorporate by reference the allegations of paragraphs 1 through 46 of this Complaint as though set forth in full.

72. As discussed above, Plaintiffs' funds were diverted to the Defendants, and each of them. These funds should have been used for the benefit of the Plaintiffs and their public facilities. Instead of properly using these funds to advance the legitimate objectives of the Plaintiffs, the Defendants misappropriated and misused them.

73. Based upon the misappropriation and diversion of the funds by the Defendants, Plaintiffs seek imposition of a constructive trust on all the money unlawfully received or obtained by Defendants from the Plaintiffs, including, without limitation, all monies that were paid to Defendant Lynch, the DeStefano Defendants and Defendant Carisse DeStefano by or on account of Tony Estrada, SFAE, Insomnias, Go Ventures, Tool of North America, the University of California, Coca Cola, and Southern Wine & Spirits.

74. Plaintiffs seek imposition of a constructive trust against the Defendants requiring them to account or hold in trust all of the funds unlawfully received and all derived income, revenue, investment and value of any kind. Further, Plaintiffs seek to continue the constructive trust in place until an accounting is completed and this litigation is concluded.

75. Plaintiffs also seek appropriate injunctive relief freezing all of the assets and financial accounts of Defendants until this litigation is completed, and for other and related relief.



1           82.     As set forth above, all of the named Defendants and Does 61 through 110 have  
2 misappropriated and misused funds that were held in trust by them or paid to them for a specific  
3 or particular purpose.

4           83.     The exact amount of the money misappropriated and misused by said Defendants  
5 is presently unknown to Plaintiffs, and the exact amount can only be determined by an  
6 accounting. As such, Plaintiffs request that the Court enter an order for an accounting requiring  
7 these Defendants to provide all financial information of every kind relating to the receipt and use  
8 of any and all monies provided to the Defendants from Plaintiffs, or either of them, directly or  
9 indirectly.

10                                   **TWELTH CAUSE OF ACTION**

11   **(Negligence)**

12                           **(Against Defendants Insomniac, Go Ventures and Does 111 through 150)**

13           84.     The Plaintiffs reallege and incorporate by reference the allegations of paragraphs 1  
14 through 27 of this Complaint as though set forth in full.

15           85.     Defendants Insomniac, Go Ventures and Does 111 through 150 each owed  
16 Plaintiffs a duty of care, honesty and the duty to competently perform.

17           86.     By engaging in the acts set forth in this Complaint, said Defendants, and each of  
18 them, breached the duty of care. The breach of these duties constitutes negligence.

19           87.     As a direct, legal and proximate result of the negligence of the Defendants,  
20 Plaintiffs have incurred damages in an amount that will be proved at trial but which is in excess  
21 of the jurisdictional minimum of this court.

22                                   **PRAYER FOR RELIEF**

23           Plaintiffs pray for judgment against Defendants, and each of them, as follows.

24           1.     For Special, General and Consequential Damages according to proof at trial  
25 against all Defendants;

26           2.     Under the California False Claims Act, for the recovery of three times the amount  
27 of damages that the Plaintiffs sustained because of the acts of the Defendants, for costs of this  
28 civil action, and for a civil penalty of not less than five thousand dollars (\$5,000) and not more

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1 than ten thousand dollars (\$10,000) for each violation;

2 3. For appropriate injunctive relief, including without limitation, freezing the assets  
3 and financial accounts of Defendants until this litigation is completed;

4 4. For exemplary and punitive damages;

5 5. For an accounting requiring the Defendants to account for all monies received  
6 from Plaintiffs and requiring those Defendants to account for the use and disposition of such  
7 monies;

8 6. For imposition of a constructive trust requiring that the monies received by the  
9 Defendants be held or placed in constructive trust for the benefit of Plaintiffs pending the  
10 outcome of this litigation, and ancillary equitable and injunctive relief to accomplish that end;

11 7. For attorney's fees as provided by contract and/or by statute;

12 8. For interest at the legal rate on all amounts awarded;

13 9. For the costs of suit incurred herein; and

14 10. For further and other relief as the Court deems just and proper.

15  
16 Dated: January 10, 2012

BURKE, WILLIAMS & SORESENSEN, LLP

17  
18 By: Charles E. Slingstad  
19 Charles E. Slingstad  
20 Attorneys for Plaintiffs  
21 Los Angeles Memorial Coliseum Commission and  
22 Los Angeles Memorial Coliseum Association  
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